

**DEPARTMENT OF HEALTH AND FAMILY SERVICES  
DIVISION OF HEALTH CARE FINANCING  
ADMINISTRATOR'S MEMO SERIES**

**NOTICE:** 05-04

**DATE:** February 1, 2005

**DISPOSAL DATE:** Ongoing

**RE:** 2005 Medicaid Transportation,  
Funeral/Cemetery And Public  
Assistance Fraud Allocations, –  
Preliminary Notice – And County  
Fraud Plan Instructions

**TO:** County Departments of Human Services Directors  
County Departments of Social Services Directors  
Tribal Chairpersons/Human Services Facilitators  
Tribal Economic Support Directors

**FROM:** Mark B. Moody, Administrator  
Division of Health Care Financing

**PURPOSE**

This memo provides notice of funding information for Medicaid Transportation; W-2 and Non W-2 Funeral and Cemetery; and the Public Assistance Fraud Program including Program Integrity and Fraud Investigation. These allocations are for the period January 1, 2005, through December 31, 2005 [Calendar Year (CY) 2005] for counties, and October 1, 2004, through September 30, 2005 [Program Year (PY) 2005], for tribes.

These allocations may change based on enactment of state or federal legislation. In addition, the implementation of the Random Moment Time Study impacts the amount of federal funding claimed for Income Maintenance (IM) programs. As a result, the amount of federal funding available for 2005 may be lower or higher than anticipated, and these funding amounts may be affected.

**MEDICAID TRANSPORTATION**

Allocations for Medicaid Transportation are shown in Attachment 1. The contract level is based on an average of the combined CY/PY 2002 and CY/PY 2003 reported spending. This contract level will be used to determine pre-payment levels. Agencies that reported little or no expenses for CY/PY 2002 and CY/PY 2003 under the IM contract will receive a minimum allocation of \$500.

## **FUNERAL/CEMETERY EXPENSES**

The contract allocations for funeral/cemetery expenses are shown in Attachment 1.

For tribes, the 2005 allocations are being handled differently than in past years. Instead of separate allocations, the TANF eligible (W-2) funeral and cemetery allocation has been added to the FoodShare and Medicaid (non W-2) funeral and cemetery allocation resulting in one contract allocation for all funeral and cemetery expenses. Tribes will report on two separate CARS reporting profiles that will roll to one CARS profile for reimbursement. This contract level will be used to determine pre-payment levels. For counties, this allocation process was instituted in CY2004 and will remain in place for CY2005.

The methodology for allocating funeral/cemetery funding has not changed from 2004. The amount of funding that is available for the funeral/cemetery expenses allocation is budgeted at \$4.55 million statewide in state fiscal year 2005. This amount is 16.58 percent less than the average actual expenses incurred in 2002 and 2003.

The 2005 allocations for each agency are based on the average 2002 and 2003 expenses for the agency, reduced by 16.58 percent. Agencies with no expenditures in 2002 or 2003 receive the minimum allocation of \$500. Should statewide expenditures exceed the \$4.55 million amount during 2005, DHFS would seek to reallocate additional funds into the Funeral/Cemetery program, subject to the approval of the administration and Legislature.

## **PUBLIC ASSISTANCE FRAUD PROGRAM**

Funding for both Fraud Program Integrity and Fraud Investigation is provided in accordance with the terms and conditions of CY 2005 State and County Contract Covering Social Services and Community Programs, and the 2003–2005 State and Tribe Contract for the DHFS Programs. Contract overspending, using local funding as match, will be available for federal matching funds for FoodShare and Medicaid related expenditures for both Program Integrity and Fraud Investigation activities. Prepayments will be issued.

The Public Assistance Fraud Program allocations for Program Integrity and Fraud Investigation are shown in Attachment 2. A program revenue account supports these allocations. The revenue in this account is the state share of collections of overpayments. Based on projected program revenues for 2005, DHFS has determined that the same level of funding as was provided in 2004 is not available to support these activities in 2005. DHFS will supplement the program revenue available with state GPR. However, overall funding for these activities will decline in 2005 from 2004. A total of \$1.8 million all-funds has been identified for both the program integrity and fraud investigation allocations. The allocation methodology has been agreed upon by the Income Maintenance Advisory Committee's Workload and Financing Sub-Committee.

### **Program Integrity**

The methodology for allocating funding to the counties for Program Integrity has changed. In past years, an agency's program integrity allocation was based on average agency expenditures for the prior two full years for which expenditure information was available, and the most recent current year's expenditures available at the time of computing the allocations. There also was a minimum funding level per agency.

For CY2005, each county will receive the same Program Integrity Allocation as was provided for CY2004. The tribal contracts are on a Federal Fiscal Year, which begins before the county's Calendar Year. As a result, the allocation methodology for the tribes adheres to the counties' previous year's methodology. Therefore, the PY2005 tribal allocations are computed using the past three years' expenses and are then adjusted up or down depending upon the agency's activity level. Tribal agencies that reported little or no expenses for these years received a minimum funding level of \$2,000.

A total of \$1,059,460 is allocated statewide for Program Integrity for CY/PY 2005.

### **Fraud Investigation**

Funding is budgeted to address fraud investigation costs on a 'pay for performance' basis. The amounts will be included in the State and County Contract Covering Social Services and Community Programs, or in the State and Tribe Contract for the DHFS programs for those counties and tribes that elect to provide Fraud Investigation Services. The Fraud Investigation funding is available to the county and tribal agencies as long as they administer the fraud investigation program. If an agency does not administer the program, the identified funding will be available to the service provider in that geographic area that is selected by the Department through the competitive bidding process.

In past years, the Fraud Investigation allocation for each agency was based on average agency expenditures for the prior two full years for which expenditure information was available and the most recent current year's expenditures available at the time of computing the allocations. There also was a minimum funding level per agency. Funding available statewide for Fraud Investigation is \$740,540, which is a decrease of approximately 42 percent compared to the 2004 amount. As a result, all counties will receive a 42 percent decrease from their 2004 allocation amount.

The tribal contracts are on a federal fiscal year basis, which begins before the county's calendar year. As a result, the allocation methodology for the tribes adheres to the counties' previous year's methodology. Therefore, the PY2005 tribal allocations are computed using the past three years' expenses and are then adjusted up or down depending upon the agency's activity level. Tribal agencies that reported little or no expenses for these years received a minimum funding level of \$2,000.

### **USE OF STATE CONTRACTED PROVIDER**

Administrator's Memo 04-04 required each agency to notify DHFS of the agency's decision to use the state contracted provider for fraud investigation by October 15, 2004. This decision was made by your agency without information about the allocations for 2005. If your agency had previously decided not to use the state-contracted provider and, as a result of the allocation shown in Attachment 2, your county would like to use the state-contracted provider for 2005, please notify DHFS by March 28, 2005. Notification should be provided to: Mike McKenzie, Section Chief, Bureau of Eligibility Management at [mckenmi@dhfs.state.wi.us](mailto:mckenmi@dhfs.state.wi.us).

January 14, 2005

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## **FRAUD PLAN**

IM agencies are required to complete and submit a fraud plan to DHFS. A model plan is enclosed to use as a template for the CY/PY 2005 plans. Agency plans are due by April 15, 2005.

Please submit the fraud plan to:

Charles Billings, Contract Administrator  
Department of Health and Family Services  
Bureau of Eligibility Management, Room1050  
P.O. Box 309  
Madison, WI 53707-0309

## **CONTACTS**

If you or your staff have any questions regarding the 2005 allocations, please contact Jodi Ross, IM Contracts Accountant, at 608-266-8409 or email [RossJL@dhfs.state.wi.us](mailto:RossJL@dhfs.state.wi.us)

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If you or your staff have any questions regarding the 2005 Fraud Plan, or should you need technical assistance in completing your fraud plan, please contact Charles Billings at (608) 266-9246, Fax (608) 261-6758, or E-mail [billict@dhfs.state.wi.us](mailto:billict@dhfs.state.wi.us)

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## ATTACHMENT 1

- A. Medicaid Transportation for Income Maintenance Cases – Calendar Year/Program Year (CY/PY) 2005.
- B. TANF Eligible (W2) and FoodShare (FS) and Medicaid (MA) Eligible (Non W2) Funeral/Cemetery – CY/PY 2005

	A.	B.
County	CY/PY 2005 Medicaid Transportation For IM Cases	CY/PY 2005 TANF Eligible (W2) & FS & MA Eligible (Non W2) Funeral/Cemetery
ADAMS	95,000	36,368
ASHLAND	82,200	38,682
BARRON	186,000	79,151
BAYFIELD	94,400	17,619
BROWN	54,100	110,728
BUFFALO	66,900	8,417
BURNETT	136,400	15,013
CALUMET	71,600	12,253
CHIPPEWA	126,000	59,898
CLARK	34,600	20,294
COLUMBIA	88,500	46,211
CRAWFORD	78,900	15,643
DANE	1,135,200	236,434
DODGE	99,200	33,406
DOOR	28,800	10,173
DOUGLAS	115,700	44,756
DUNN	106,400	26,352
EAU CLAIRE	156,900	98,361
FLORENCE	32,400	8,473
FOND DU LAC	91,600	84,841
FOREST	37,400	5,849
GRANT	125,400	50,152
GREEN	67,800	36,177
GREEN LAKE	25,200	21,536
IOWA	36,400	30,146
IRON	21,600	8,763
JACKSON	45,500	7,127
JEFFERSON	96,100	41,509
JUNEAU	58,300	23,010
KENOSHA	1,179,300	165,343
KEWAUNEE	45,200	5,008
LA CROSSE	186,300	91,975
LAFAYETTE	33,300	6,347
LANGLADE	117,800	18,385

	A.	B.
County	CY/PY 2005 Medicaid Transportation For IM Cases	CY/PY 2005 TANF Eligible (W2) & FS & MA Eligible (Non W2) Funeral/Cemetery
LINCOLN	20,900	14,941
MANITOWOC	68,700	65,872
MARATHON	153,800	62,917
MARINETTE	144,900	35,819
MARQUETTE	60,500	11,762
MENOMINEE	8,500	2,464
MILWAUKEE	7,102,400	1,249,206
MONROE	161,100	40,702
OCONTO	79,100	23,555
ONEIDA	62,400	32,351
OUTAGAMIE	74,500	51,912
OZAUKEE	7,600	14,269
PEPIN	30,700	2,227
PIERCE	64,900	21,680
POLK	72,900	67,799
PORTAGE	87,400	59,659
PRICE	110,900	17,787
RACINE	98,600	194,613
RICHLAND	37,200	16,008
ROCK	134,800	168,957
RUSK	87,800	37,624
SAUK	58,400	78,868
SAWYER	110,600	23,834
SHAWANO	42,100	35,970
SHEBOYGAN	39,700	62,346
ST. CROIX	58,000	33,119
TAYLOR	98,700	17,483
TREMPEALEAU	97,000	49,165
VERNON	15,600	27,440
VILAS	17,700	18,172
WALWORTH	150,900	34,447
WASHBURN	146,200	21,311
WASHINGTON	29,600	54,644
WAUKESHA	79,200	76,834
WAUPACA	139,600	71,845
WAUSHARA	87,800	18,271
WINNEBAGO	54,800	142,884
WOOD	84,200	59,323
<b>County Total</b>	<b>\$14,936,100</b>	<b>\$4,532,480</b>

	<b>A.</b>	<b>B.</b>
<b>Tribe</b>	<b>CY/PY 2005 Medicaid Transportation For IM Cases</b>	<b>CY/PY 2005 TANF Eligible (W2) &amp; FS &amp; MA Eligible (Non W2) Funeral/Cemetery</b>
BAD RIVER	42,900	1,320
FOREST CO POTAWATOMI	500	500
LAC DU FLAMBEAU	30,800	8,888
ONEIDA TRIBE	6,000	4,928
RED CLIFF	63,700	880
SOKAOGON	11,400	500
STOCKBRIDGE- MUNSEE	3,400	704
<b>Tribe Total</b>	\$158,700	\$17,720
<b>Statewide Total</b>	\$15,094,800	\$4,550,200

## ATTACHMENT 2

C. Public Assistance Fraud – Program Integrity – CY/PY 2005.

D. Public Assistance Fraud – Investigation – CY/PY 2005.

	<b>C.</b>	<b>D.</b>
<b>County</b>	<b>CY/PY 2005 PA Fraud – Program Integrity Allocation (Minimum Funding = \$2,000)</b>	<b>CY/PY 2005 PA Fraud – Investigation Contract Budgeted Funds*</b>
ADAMS	7,000	1,161
ASHLAND	7,000	1,161
BARRON	10,500	8,705
BAYFIELD	5,000	1,161
BROWN	31,000	82,410
BUFFALO	2,000	1,161
BURNETT	3,000	1,161
CALUMET	3,000	1,161
CHIPPEWA	14,000	5,804
CLARK	7,500	1,741
COLUMBIA	9,500	3,772
CRAWFORD	5,000	2,321
DANE	43,500	11,607
DODGE	2,000	4,643
DOOR	2,000	1,161
DOUGLAS	20,000	14,509
DUNN	2,000	6,964
EAU CLAIRE	21,000	27,857
FLORENCE	2,000	1,161
FOND DU LAC	13,200	27,857
FOREST	2,000	1,161
GRANT	2,000	1,161
GREEN	2,000	1,161
GREEN LAKE	3,500	2,902
IOWA	2,000	2,321
IRON	2,000	1,161
JACKSON	2,000	2,321
JEFFERSON	8,660	1,161
JUNEAU	2,000	1,741
KENOSHA	25,570	58,035
KEWAUNEE	5,000	1,741
LA CROSSE	17,680	11,607
LAFAYETTE	6,000	1,161
LANGLADE	2,000	1,161
LINCOLN	3,000	1,161
MANITOWOC	11,400	2,902



	<b>C.</b>	<b>D.</b>
<b>County</b>	<b>CY/PY 2005 PA Fraud – Program Integrity Allocation (Minimum Funding = \$2,000)</b>	<b>CY/PY 2005 PA Fraud – Investigation Contract Budgeted Funds*</b>
MARATHON	17,100	23,214
MARINETTE	18,000	29,018
MARQUETTE	2,000	1,741
MENOMINEE	7,000	1,161
MILWAUKEE	335,150	58,035
MONROE	12,000	4,643
OCONTO	3,000	13,058
ONEIDA	5,000	5,804
OUTAGAMIE	12,000	34,821
OZAUKEE	6,000	1,161
PEPIN	2,000	1,161
PIERCE	5,000	1,161
POLK	9,000	4,643
PORTAGE	14,000	20,893
PRICE	3,500	1,161
RACINE	54,000	58,035
RICHLAND	9,000	1,741
ROCK	25,500	20,312
RUSK	3,000	1,161
SAUK	15,000	1,161
SAWYER	7,000	8,125
SHAWANO	6,100	6,964
SHEBOYGAN	13,500	14,509
ST. CROIX	7,000	8,705
TAYLOR	2,000	1,161
TREMPEALEAU	5,000	1,161
VERNON	2,000	1,161
VILAS	2,000	1,161
WALWORTH	12,000	8,705
WASHBURN	6,000	3,482
WASHINGTON	9,500	1,161
WAUKESHA	26,000	76,606
WAUPACA	18,000	1,741
WAUSHARA	7,000	1,741
WINNEBAGO	28,000	2,321
WOOD	14,500	2,321
<b>COUNTY TOTAL</b>	<b>\$ 1,029,860</b>	<b>\$ 725,440</b>

	<b>C.</b>	<b>D.</b>
<b>Tribe</b>	<b>CY/PY 2005 PA Fraud – Program Integrity Allocation (Minimum Funding = \$2,000)</b>	<b>CY/PY 2005 PA Fraud – Investigation Contract Budgeted Funds*</b>
BAD RIVER	4,000	2,000
FOREST CO POTAWATOMI	2,000	2,000
LAC DU FLAMBEAU	4,800	2,000
ONEIDA TRIBE	3,400	3,100
RED CLIFF	4,800	2,000
SOKAOGON	5,700	2,000
STOCKBRIDGE-MUNSEE	4,900	2,000
<b>TRIBE TOTAL</b>	<b>\$ 29,600</b>	<b>\$ 15,100</b>
<b>STATEWIDE TOTAL</b>	<b>\$ 1,059,460</b>	<b>\$ 740,540</b>

\* This allocation is available to the agency as long as they administer the fraud investigation program, otherwise this allocation will be available to a service provider in the geographic area which is selected by the Department of Health and Family Services through the competitive bidding process.

**ATTACHMENT 3**

**MODEL**

**CHAPTER 49 PUBLIC ASSISTANCE  
FRAUD PLAN 2005**

**for**

\_\_\_\_\_ **County**

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(Name of Agency)

# PUBLIC ASSISTANCE FRAUD PLAN

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## INTRODUCTION

The Public Assistance Fraud Program is designed to provide program integrity for the Public Assistance Programs, including FoodShare (FS), Medical Assistance (MA) and Wisconsin Works (W-2). These programs are administered through contractual agreements between the Department of Health and Family Services (DHFS) and by agreement with the Department of Workforce Development (DWD), and local administrative agencies.

Each agency administering public assistance programs is responsible for providing program integrity for the programs administered by that agency. The DWD W-2 contracts contain the policies and procedures to provide program integrity for W-2 programs. The DHFS State/County Contracts Appendix AL for the administration of Income Maintenance (IM) Programs contains the requirement to provide integrity for the FS and MA programs administered by IM agencies.

For cost effectiveness and efficiency, fraud investigation services are to be completed by a single provider for both W-2 and IM agencies in designated geographic areas. For calendar year 2005, county/human social service agencies will have the Right of First Selection to provide fraud investigation services. The state has selected a service provider for the geographic areas and tribal boundaries where the Right of First Selection is not exercised.

For IM agencies administering FS and MA programs through the 2005 State/County Contract, the Public Assistance Fraud Program consists of two specific areas of administrative requirements.

### A. **Program Integrity (PI)**

Program integrity consists of two components:

1. Fraud Prevention, previously known as Front End Verification.
2. Fraud Administrative Functions, which includes all other fraud administrative activities except fraud investigation services.

As part of the Public Assistance Fraud Program requirement, all IM agencies must plan to conduct Fraud Prevention and Fraud Administrative functions to comply with Section XXIV of the State/County Contract, Appendix AL. This includes all pre and post-investigation activities. Activities include actions such as selecting cases for referral for fraud investigation, forwarding cases to the service provider, submitting cases to the Division of Hearings and Appeals for Administrative Disqualification Hearings, referring cases to the District Attorney's office for prosecution, performing fraud collections activities, etc.

### B. **Fraud Investigation Services (INV)**

Fraud Investigation Services are completed in accordance with the pay-for-performance agreement associated with the Right of First Selection. Only those county agencies that exercised the Right of First Selection will have this area of responsibility and need to comply with Section XXV of the State/County Contract, Appendix AL.

All IM agencies administering FS and MA programs must file a Fraud Plan with the Department of Health and Family Services (DHFS), Division of Health Care Financing (DHCF), Bureau of Eligibility Management (BEM). The fraud plan is required by State and Federal regulations and policies, by state/county contractual requirements, and for claiming federal matching reimbursement of administrative costs for the public assistance programs.

**NOTE: County agencies that have the administrative responsibilities for both Program Integrity and Fraud Investigation Services need to complete only one Public Assistance Fraud Plan.**

This document provides a model for the required 2005 Fraud Plan. Included in the model are policies, instructions, and attachments containing relevant materials from manuals and policy memos, which provide direction and guidelines for the administration of a county public assistance fraud program.

Agencies using this model for their Fraud Plan are required to complete:

1. The Program Component Staffing Level Worksheet on page 15.
2. The Administrative Cost Sheet on page 18.
3. The signature page on page 20.
4. All relevant attachments from the list on page 13.

Agencies with a more detailed or complex plan for which this model is not compatible, or that subcontract any of the program activities, must ensure that the fraud program requirements are included in their revised plan and any service provider contracts as appropriate.

Agencies contracting with DWD and DHFS are responsible for administration of their portion of the fraud program activities and require the parties with whom they subcontract to adhere to all state and federal statutes, regulations, rules, and policies.

Agencies must have their completed calendar year 2005 Fraud Plan submitted by April 15, 2005. Submit plans to:

Wisconsin Department of Health and Family Services  
Division of Health Care Financing  
Bureau of Eligibility Management  
Attn: Charles Billings, Room 1050  
P.O Box 309  
Madison, WI 53701-0309

Questions and issues regarding the fraud plan and budget should be directed to:

Charles Billings  
Bureau of Eligibility Management  
Telephone: (608) 266-9246  
FAX: (608) 261-6758  
E-mail: [billict@dhfs.state.wi.us](mailto:billict@dhfs.state.wi.us)

## **I. ADMINISTRATIVE REQUIREMENTS AND RESPONSIBILITIES**

### **A. Program Integrity**

#### **1. Fraud Prevention Services –Front-End Verification (FEV)**

- a. Comply with the requirements and guidelines for the operation of a prevention program.
  - 1) Develop a written policy and referral process to be used to administer the prevention program.
  - 2) Develop a written procedure for determining which cases will be selected for referral to the prevention program service provider.
  - 3) Validate the selection criteria for the prevention program periodically to ensure the selection criterion is error-prone.
- b. Complete CARES screens BVIR, BVIT, BVPI, and BVCC on all cases referred to the prevention program.
- c. Ensure that contracted prevention program service providers meet the Wisconsin Department of Regulation and Licensing requirements for private detectives.
- d. Use the fraud prevention standard expectation of a 30 percent targeted success rate for program planning.
- e. Complete all prevention activities within the recommended timeframe.

#### **2. Fraud Administrative Functions**

- a. Pursue appropriate administrative actions on all cases referred for prevention or investigation.
- b. Pursue appropriate Program Integrity actions on all cases referred to the fraud program to obtain a full repayment of the overpayment.
- c. Complete CARES screens BVIR, BVIT, BVPI and BVCC on all cases referred to the fraud program, reporting the case disposition activities and claims amounts.
- d. Implement the FS program disqualification penalties provided by Section 6(b) of the Food Stamp Act of 1977 by agency administrative imposition of the penalties and through the recommendation to the District Attorney for court imposition of the penalty.
- e. Provide to service providers the appropriate information as stated in DWD/DHFS manuals and communication releases needed for prevention and investigation activities, prosecution activities by a District Attorney's

Office, and the collection of fraudulently obtained overpayments in the FS and MA programs.

- f. Refer cases of suspected public assistance fraud to the appropriate service provider responsible for the prevention, investigation, prosecution, and collection of overpayments activities.
- g. Develop an understanding or written agreement with the local District Attorney's Office identifying the conditions and criteria under which a referral for prosecution shall be made, including documentation and format requirements.
- h. Provide testimony in court, administrative hearings, and such other situations as necessary for the prosecution of allegations of public assistance fraud.

## **B. Fraud Investigation Services Agreement**

Note: This section applies only to DHS/DSS and other county agencies selected by County DHS/DSS's to administer the investigative services contract component of the Chapter 49 Public Assistance fraud program.

- 1. Develop written agreements with other agencies as necessary for services to be provided to conduct the Fraud Investigation program.
- 2. Conduct investigations of all allegations of public assistance fraud referred by the W-2 and DSS/DHS agencies under the Fraud Investigation contract.
- 3. Develop a work plan for all case investigations and producing documentation according to the guidelines of the District Attorney's office for use in case prosecutions.
- 4. Provide the W-2 or DSS/DHS agencies with a written report on all cases referred from each agency, citing the investigative activities, documentation, findings, actual administrative costs, and the recommendation for investigative disposition.
- 5. Provide testimony in court, administrative hearings, and such other situations as necessary for the prosecution of allegations of public assistance fraud.
- 6. Maintain and provide to DHFS, W-2 and DSS/DHS agencies, such records as are necessary to meet state and federal reporting requirements.
- 7. Cooperate with the agencies responsible for the investigation referrals, prosecution of public assistance fraud, and the collections of any overpayments. Maintain investigative records appropriate to meet the needs of those agencies to successfully complete the disposition of investigated cases.
- 8. Collect and provide to DHFS, information necessary to develop, test, and implement additional fraud control activities.
- 9. Comply with all policies, procedures and guidelines incorporated in the Fraud Plan through the IM/W-2/Fraud Investigation contracts and Income Maintenance Manual. Where the agency subcontracts any portion of the fraud program to another agency, it retains responsibility for assuring that all subcontractors are



aware of and comply with the Plan's requirements. DHFS may develop manual materials pertaining to the Wisconsin Chapter 49 Fraud Elimination Program. Such manual material replaces and supersedes the contents of the model Fraud Plan.

### **C. Required Attachments**

As part of the fraud plan requirements, each agency needs to submit as attachments all of the following items that apply:

1. The position descriptions for all DHS/DSS agency/office staff whose duties include public assistance fraud activities. (See Attachment A for an example of a position description.)
2. A copy of the agency's fraud prevention program description, including referral forms, referral criteria (error-prone profile), and program policy/procedure documents. If this material is included in the agency's Program Integrity description, disregard this item.
3. A copy of the agency's Fraud Investigation program description, including its final report form, documentation criteria, and program policy/procedure documents.
4. An organizational chart showing the agency's fraud staff and contracted service providers, including the number of public assistance fraud full time equivalent (FTE) staff performing public assistance fraud activities. (See Attachment C for model of organization chart.)
5. A list of all agency fraud staff needing access to the Fraud Tracking Screens (FITS) in CARES. Suggest including this item with 4.
6. A copy of all contracts the agency has with fraud program service providers.
7. A copy of the Prosecution's Referral Agreement or a statement as to why there is no written Prosecution Agreement.

## **II. PROGRAM COMPONENT STAFFING**

The program component staffing identifies agency personnel responsible for the supervision of each program component administered by the agency.

### **A. Supervision of Program Component**

The plan needs to identify the name and job title of the agency personnel responsible for supervising each program component. Complete the program component staffing level worksheet on page 15 by inserting the name and job title of the person supervising each fraud program component.

### **B. Identification of Program Staff FTE**

The plan also needs to identify the number of agency FTE participating in each component of the fraud program. Complete page 15 by inserting the FTE amount allocated to each component.

All IM agencies need to complete Parts A and Part C. Only those agencies that also administer Fraud Investigation Services need to complete Part B.

**C. Completing the Program Component Staffing Level Worksheet**

**INSTRUCTIONS FOR COMPLETING THE PROGRAM COMPONENT STAFFING LEVEL WORKSHEET**

Note: Fraud Prevention Services, also known as Front-End Verification (FEV), are Program Integrity activities directly associated with the enhanced verification of cases. Such cases are referred to the Prevention Program based on meeting the referral criteria of the agency's error-prone profile. The costs associated with these activities are separate from other Program Integrity costs in accordance with federal guidelines and will need to be reported separately from other Program Integrity costs on CARS.

All IM agencies administering IM programs are to complete Part A. Identify the name and position of the individual who has supervisory responsibility for the functions. Full-time equivalence (FTE) is a percentage calculation of staff time. For example, a full time staff assigned to work Public Assistance Program Integrity activities 10 percent of the time (approximately 200 hours during a year), has a 0.10 FTE calculation. These FTE totals should be based on the individual position FTE figures identified in the agency's fraud program organizational chart. Determine the FTE count for both Fraud Prevention and Fraud Administrative Functions and enter the total count in each designated area.

Contact Charles Billings, at (608) 266-9246 for technical assistance with completing this document if needed.

# PROGRAM COMPONENT STAFFING LEVEL WORKSHEET

Agency Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City/Zip: \_\_\_\_\_

Telephone: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ Fax: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

## PROGRAM ADMINISTRATION:

### PART A PROGRAM INTEGRITY ADMINISTRATION

a) Description of Service:	<b>Fraud Administrative Functions</b>
b) Supervisor:	Name: Job Title:
c) Full Time Equivalence (FTE) of Program Integrity staff.	_____ FTE count
a) Description of Service:	<b>Fraud Prevention Services(FEV)</b>
b) Supervisor:	Name: Job Title:
c) Full Time Equivalence (FTE) of Investigation staff.	_____ FTE count

### PART B FRAUD INVESTIGATION ADMINISTRATION

a) Description of Service:	<b>Investigation Services</b>
b) Supervisor:	Name: Job Title:
c) Full Time Equivalence (FTE) of Investigation staff.	_____ FTE count

### PART C TOTAL

Total Full Time Equivalence (FTE) of fraud program staff. Part A + Part B	_____ FTE count
--	-----------------

### **III. ADMINISTRATIVE COSTS**

The administrative cost section identifies the funding amounts an agency is budgeting for Public Assistance Fraud purposes. The allocation consists of fixed state funds and federal matching funds to the state money. The allocation needs to be split between Fraud Prevention and Fraud Administrative functions. IM agencies determine the split and enter budget amounts on the Administrative Cost Sheet on page 18.

The administrative costs for Program Integrity will be reimbursed at 100 percent up to the allocation amounts in [Administrators Memo #05-04](#). IM agencies can obtain additional federal matching funds at 50 percent for FoodShare and Medical Assistance when additional local costs beyond the state allocated amounts are incurred.

The administrative costs for Fraud Investigation will be reimbursed at 100 percent up to a maximum of \$500 per case. The total available funding for Fraud Investigation is the allocation amount in [Administrators Memo #05-04](#). IM agencies can obtain additional federal matching funds at 50 percent for FoodShare and Medical Assistance when additional local costs beyond the state allocated amounts are incurred.

All IM agencies need to complete part A of the Administrative Cost Sheet on page 18. Only IM agencies selected as service providers need to complete part B of the Administrative Cost Sheet.

All state funding will be limited to the maximums in [Administrators memo #05-04](#) and are subject to change based on the availability of funding.

The administrative costs associated with Part B are based on the investigation service pay-for-performance contract subject to the terms and conditions of the fraud services contract agreement. County agencies' costs beyond the state's funding limit will be federally reimbursed at the 50 percent rate for eligible FS and MA. The State/County Contract details the reimbursement of expenses beyond the State fraud investigation service agreement. TANF fraud administrative costs are not eligible for federal match funding.

#### **A. Reimbursement for IM Program Integrity Administration**

##### **1. Fraud Prevention (FEV) Program**

The administrative costs of the county IM agencies' Public Assistance Fraud Prevention must be reported on the CARS system. Agencies need to report these expenses on CARS profile line 749.

##### **2. Program Integrity Administration**

Program Integrity Administration costs that include pre-investigation, as well as post-investigation activities, including fraud overpayment collections, must be reported on CARS profile line 748.

##### **3. AMSO Costs**

The indirect administrative costs of the county IM agencies' Public Assistance Fraud Program must be reported on the CARS system. Agencies need to report on CARS profile line 747.

#### **B. Reimbursement for Fraud Investigation Services**

The administrative costs for investigation agencies will be reimbursed at the rate of 100 percent for allowable costs up to the limitations established in each agency's Fraud Investigation contract. One-hundred percent reimbursement is available for the actual cost up to a maximum of \$500 per referral. All state funding will be subject to a projected contract maximum allocation set for each geographic area.

Administrative costs for Fraud Investigation Services must be reported to the State through CARES. Costs need to be entered into the CARES system through the Fraud Investigation Tracking Sub-system (FITS). The agency making the referral and approving the case as completed enters the cost into CARES, screen BVIT.

Additional costs beyond the state's contracted maximum will be passed through for federal reimbursement at the 50 percent rate for FS and MA, with the additional match costs covered by local agency funding.

### **C. Completing the Fraud Administrative Cost Sheet**

Instructions for completing the Fraud Administrative Cost Sheet:

1. The "Income Maintenance (IM) Programs" section, Part A, should be completed only by agencies that are administering the IM programs.
2. Fraud Prevention (FEV) Budget is the amount of administrative funding budgeted to cover the administrative costs of performing prevention activities.
3. Any subcontract between the agency and a service provider to perform prevention services should be included in the prevention budget lines.
4. "Program Integrity Administration Budget" is the total amount of administrative funding budgeted to cover all administrative costs associated with any Program Integrity activities, except those budgeted for performing prevention activities and Fraud Investigation services.
5. The state and federal allocation amounts for Program Integrity are listed in [Administrators Memo #05-04, Attachment 2](#). Fraud Investigation contract projected funds are listed in Attachment 2 also, and are earned by claiming the actual cost of each investigation, up to \$500 per investigation.
6. "Local Allocation" is the amount of local agency expected funding to be spent in CY 2005 by the agency in excess of the state and federal allocation and/or contract projected amounts for Fraud Investigations.
7. "Federal Match to Local Allocation" is the additional federal funding that may be earned through the local agencies' expenditure. This federal funding match is available at a 50 percent rate only for the FoodShare and Medical Assistance expense portion of each investigation's cost over \$500. This federal match is not available for W-2 or ChildCare programs.
10. The sum of these three sources of funding should equal the planned expenditures for implementing the Public Assistance Fraud Program in CY 2005.
11. Part B is to be completed by IM agencies selected to administer fraud investigation services.

## **Fraud Administrative Cost Sheet**

ADMINISTRATIVE COST SHEET		
<b>PART A</b>		
<b>INCOME MAINTENANCE (IM) PROGRAM INTEGRITY</b>		
<b>Fraud Prevention(FEV) Program</b>		
State and Federal Allocation:	\$	
Local Allocation:	\$	
Federal Match to Local Allocation:	\$	
Sub-Total for Prevention:	\$	
<b>Program Integrity Administration</b>		
State and Federal Allocation:	\$	
Local Allocation:	\$	
Federal Match to Local Allocation:	\$	
Sub-Total for Program Integrity:	\$	
<b>Total IM Fraud Budget:</b>		<b>\$</b>
<b>PART B</b>		
<b>FRAUD INVESTIGATION SERVICE</b>		
State and Federal Contract Projection:	\$	
Local Allocation:	\$	
Federal Match to Local Allocation:	\$	
<b>Total Fraud Investigation Budget:</b>		<b>\$</b>
<b>TOTAL FRAUD BUDGET:</b>		<b>\$</b>

#### **IV. SUB-CONTRACTING FOR FRAUD SERVICES**

Where the county DSS/DHS contracts out for any of the fraud program activities, a separate written agreement must be made with the service provider. The written agreement must include the appropriate program requirements cited in Section I of the model plan, budget information cited in Sections II and III, organizational charts with staffing FTE counts, and the use of contractual language similar to that cited in A - D. As the primary contractor, the county DSS/DHS is responsible for the performance of its subcontractors, including meeting of fraud program standards. Agencies can request a copy of the model service provider contract and agreement from Charles Billings using the contact information below.

##### **A. Contracting for Fraud Investigation Services Model**

This model is designed for use when the agency elects to sub-contract Fraud Investigation Services outside the local agency. It includes the obligations of the local agency and the contractor.

##### **B. Contracting for Prevention Services Model**

This model is designed for use when the agency elects to sub-contract to provide prevention/front end verification services outside the local agency. It includes the obligations of the local agency and the contractor.

##### **C. Contracting with the Sheriff Model**

This model is designed for use when the agency elects to sub-contract Fraud Investigation Services with the Sheriff. It includes the obligations of the local agency and the Sheriff.

##### **D. Memorandum of Understanding Model for Prosecution**

This model is designed for use when the agency and the local County District Attorney agree on the conditions under which a referral for prosecution for violations of public assistance programs in Wis. Stats. Chapter 49 shall be made.

To obtain a paper or electronic copy of the model agreement(s), contact:

Charles Billings  
Department of Health and Family Services  
Bureau of Eligibility Management, Room1050  
P.O. Box 309  
Madison, WI 53701-0309

Telephone: 608-266-9246  
Fax: 608-261-6758  
Email: billict@dhfs.state.wi.us

## V. SIGNATURES

The Agency Director or designee is required to sign the Fraud Plan and provide the following information listing the Fraud Unit Manager/Supervisor and contractor(s).

\_\_\_\_\_  
Agency Name

\_\_\_\_\_  
Director Name

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
City/Zip

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

_____ <b>Director's Signature</b>
--

Program Integrity/Fraud Unit Manager/Supervisor:

\_\_\_\_\_  
Agency Name

\_\_\_\_\_  
Fraud Unit  
Manager/Supervisor

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
City/Zip

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

If agency is using a contractor, indicate the type of service (Prevention, Investigation), name and address. (If your agency does not use a contractor, enter "Not applicable".)

Service Contractor Provider: \_\_\_\_\_

\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Director/Owner

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
City/Zip

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_



# ATTACHMENT A

## FRAUD FUNDED MODEL POSITION DESCRIPTION

### Job Summary:

Under the direct supervision of the ESS Supervisor, this position shall function as the agency's Front-End Verification (FEV) Specialist and as its Public Assistance Investigator. In addition, it shall be responsible for other error reduction activities.

### Position Responsibilities

#### 40% A. Front-End Verification Specialist

1. Maintain a log of all FEV referrals made by ES staff.
2. Determine if the referral meets the agency's error-prone profile.
3. Identify what error-prone elements are involved in the referral and determine what verification action is needed.
4. Conduct the FEV investigation within the agency's specified time frame.
5. Document all investigation findings.
6. Report investigation findings to the ESS/ES Supervisor.
7. Testify at court/administrative hearings regarding the investigation and its findings.
8. Complete all records required for local, state and federal record keeping and reporting requirements.

#### 40% B. Public Assistance Investigator

1. Maintain a log of all fraud referrals made by IM staff and other referral sources.
2. Conduct preliminary case review to determine nature and type of potential fraud.
3. Return cases which don't pass the review to the ESS Supervisor for reconsideration.
4. Open an investigative file on cases which pass the preliminary review and draw up an investigation plan.
5. Conduct investigation.
6. Document all investigation findings.
7. Report findings to the ESS Supervisor and recommend further action to be taken.
8. Set up prosecution files for cases being referred to the District Attorney (DA).
9. Testify at court/administrative hearings regarding the investigation and its findings.
10. Complete all records required for local, state and federal record keeping and reporting requirements.

#### 20% C. Error Reduction Programs

1. Perform targeted case reviews.
2. Monitor case directory "tickler system."
3. Monitor IEVS completion and resolution.
4. Perform random case reviews.

**Note:** The above model PD is for a position doing 80 percent fraud funded activities and 20 percent IM administration activities

## **ATTACHMENT B**

### **CONTRACTED INVESTIGATION SERVICES**

#### References:

WI Stat. 440.26

Administrative Code Chapter RL 30, 31, 32, 33, 34 and 35

Commercial agencies which contract with counties to provide investigative services for either FEV or for Public Assistance Fraud Investigations are subject to the Wisconsin Statute and Administrative Code requirements for private detectives. These requirements do not apply to off-duty law enforcement officers or public officers performing official duties, including law enforcement officers. Private individuals, including former law enforcement officers, must meet these requirements. See DES Administrator's Memo 90-39.

Counties deciding to contract with private agencies or individuals for investigative services need to obtain a copy of WI Statute 440.26 and Administrative Code Chapter RL 30, and require that the individual meet the private detective requirements for licensure, training and liability.

## ATTACHMENT C

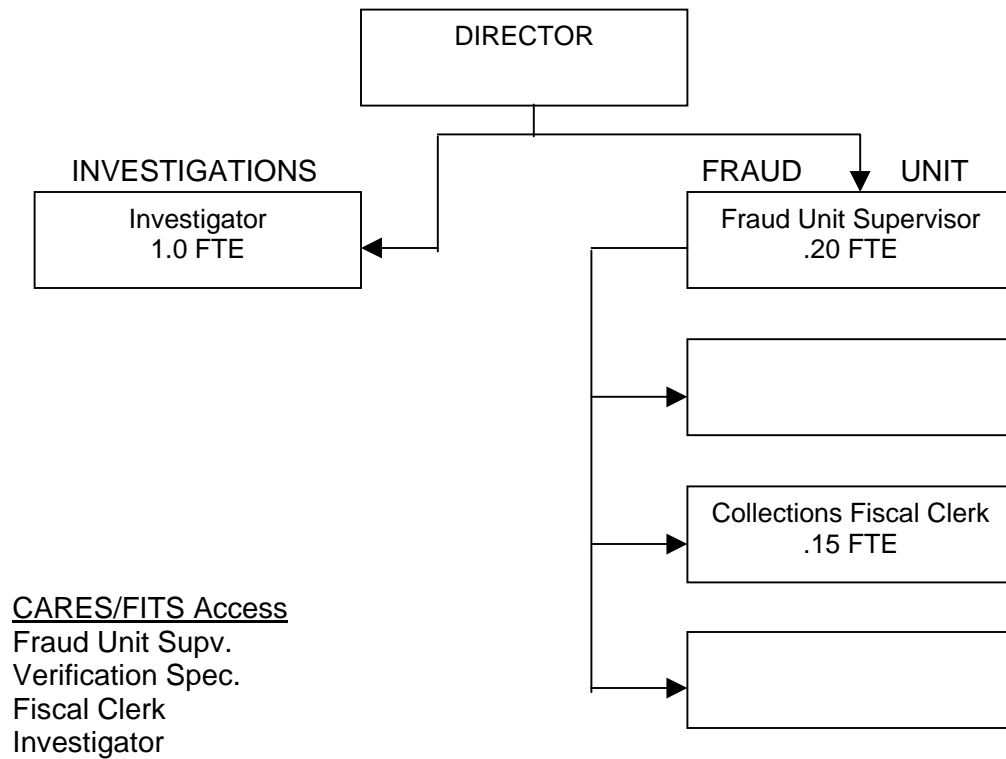
### MODEL ORGANIZATIONAL STRUCTURE

A model fraud program "organizational chart" including the following information:

1. Reporting relationships;
2. Program areas;
3. Position titles;
4. FTE; and
5. Incumbent's name.

The agency must list all persons authorized to access the CARES/FITS screens.

#### Agency Fraud Program Organization



## ATTACHMENT D

### FRAUD INVESTIGATION STANDARDS

#### Investigation Documentation

The following are the minimum required investigation documentation standards of the investigation agency:

1. The investigation service provider must provide the referral agency with a written investigation report for every completed investigation.
2. The investigation report must document information in a logical sequence that incorporates **Who, What, When, Where, Why, and How** in the body and substance of the investigative findings.
3. The investigation report must address the specific allegation findings requested in the referral from the requesting agency.
4. Every investigation report must contain the following information:
  - a. Identification of the Client/Contact person and verification of identity provided, e.g., photo ID, drivers license).
  - b. Relationship of the contact person to the client.
  - c. Written interview(s) with the contact person obtaining all relevant information and documentation.
  - d. Summary of the Investigator's findings.
5. All completed investigations must contain a summary conclusion having a recommendation to the referral agency to do one of the following;
  - a. Proceed with a case for administrative disposition.
  - b. Proceed with a case that meets the criteria for prosecution established by the local District Attorney's office and recommend the prosecutorial process be initiated, but may be subject to administrative sanction, recoupment or repayment.
  - c. Return the case to the referring agency with the determination that the fraud allegation was not substantiated.
6. When requested by the referring agency, the investigation report must address the minimum criteria specified by the District Attorney's guidelines for fraud referrals for prosecution.

#### 1.6 Timeliness of Investigations

Contractors must perform a satisfactory investigation as defined in Section 1.5 based on the case referral within the established time frame noted below in this section.

1. The time period from the date of the fraud referral by the W-2 agency to the date the fraud investigator's final report is delivered to the W-2 agency must be 90 calendar days or less.
2. Investigations that exceed this 90 calendar day time frame will be out of compliance unless additional time is requested and approved. For such cases the investigating service provider will request in writing from the

referring agency an extension stating the reason for the delay. The request will be reviewed and returned to the investigating agency indicating approval or denial. Requests must be submitted in writing for approval by the 80th calendar day to the referring agency.

#### 1.7 Satisfactory Investigations

A satisfactory completed investigation is determined by, but not limited to, the following factors:

1. Quality of the investigation report and findings addressing the issues of the fraud referral allegations.
2. Documentation of all essential elements of the investigation.
3. Factual and accurately reported data.
4. Timeliness (completion in 90 calendar days or within the agreed extended time frame.)

If it is determined by the referral agency that any of these factors are lacking, the report may be ruled unsatisfactory and referred back to the provider for corrective action.

Provider may exercise the option to bring any unresolved matter concerning reports or any issue related to performance to the attention of the DHFS for resolution.